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OGC 66-2170

19 September 1966

MEMORANDUM FOR THE RECORD

SUBJECT: Heine v. Raus

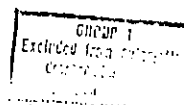
1. In a telephone conversation with [redacted] 16 September in which [redacted] participated, we discussed further the settlement suggestion made by Mr. Raskauskas.

2. Heine is claiming damages of \$110,000, \$100,000 of which are punitive. I suggested that since the present record would appear to demonstrate that Raus was directed to utter the statements, malice could not be imputed to him, hence only the amount of compensatory damages were for consideration in any settlement negotiations. [redacted] and [redacted] disagreed pointing out that the affirmative defenses of employment and direction were still matters of proof and until then, Raskauskas might be disposed to seek the maximum. They both agreed, however, that if discussions are initiated, the \$10,000 figure should be used.

3. [redacted] described his conversation with Raskauskas as being "kooky." He said that in raising settlement with him Raskauskas noted that since the initial fervor had subsided and all was quiescent now might be an opportune time to discuss the matter. [redacted] recalling the publicity Raskauskas had given to a prior conversation concerning this subject, declined the invitation stating that he did not wish to appear in the newspaper. Raskauskas then undertook to assure him that the conversation would be off the record, but in doing so intimated that if the suit were to continue he would feel obligated to keep the press informed. In respect to terms, Raskauskas stated he would have to have the ad damnum. He allowed that money was not too important to the Agency and that a payment would make Heine feel he had

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been justified. [] stated that this was just the result he would not want to happen. The conversation terminated with [] agreeing to recontact Raskauskas at an early date. [] suggests that Raskauskas is apparently concerned about the investment of time and energy he has in the case. As a matter of incidental interest he said also that Raskauskas had indicated that he was fed up with Heine.

4. When [] undertook to emphasize the repercussions any settlement might have on the Agency, I said we were well aware of this, but that we were under a great deal of pressure. Then, in an obvious reference to our conversation with [] the day before at which time [] views were mentioned, [] stated that before we made our decision he would like to chat with []

/s/ []

Assistant General Counsel

cc: []

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